

**BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2018-163-E**

IN RE: )  
SolAmerica SC, LLC and Edgefield County )  
S1, LLC - Request for Modification of an )  
Interconnection Agreement for Solar Project )  
located in Edgefield County, South Carolina )  
)  
)  
)

**REPLY  
TO  
COMPANY'S RESPONSE TO  
SOLAMERICA'S MOTION AND  
REQUEST FOR MODIFICATION**

**INTRODUCTION**

SolAmerica SC, LLC and Edgefield County S1, LLC, (hereinafter collectively as, "SolAmerica"), filed a Request for Modification and Motion to Maintain Status Quo, with this Commission on May 9, 2018, in Docket 2018-163-E. South Carolina Electric & Gas, Company (hereinafter as, "Company"), filed a Response in Opposition to Request for Modification and Response in Opposition to Motion to Maintain Status Quo, with this Commission on May 21, 2018, (hereinafter together as, "Response"). The Company also filed a Petition to Intervene in this Docket and SolAmerica is filing a consent to that filing, on even date. SolAmerica's Reply to the Company's Response follows.

**REPLY**

1. The Company's Response is lengthy, but is short on substance. The Company did not dispute SolAmerica's main allegations. Namely, SolAmerica and the Company entered into an Agreement that contained a provision "12.12", which allows this Commission to hear and to review, a unilateral request for modification, when filed. SolAmerica has filed a Request for Modification with this Commission, which should now be heard by this Commission. The Company's Response improperly attempts to usurp the authority of this Commission, by deciding that SolAmerica's Request for Modification should not be heard by this Commission. In its Response, the Company also takes a remarkable position that it can ignore a provision of an Agreement, to which it is a signatory.

SolAmerica's Motion to Maintain Status Quo.

2. SolAmerica's filing of a Motion to Maintain Status Quo was necessitated by the Company's threat, (since carried out by the Company after the date of SolAmerica's Request for a Modification and Motion to Maintain Status Quo), to terminate the Power Purchase Agreement between the Company and SolAmerica. The Company's attempted termination, once again ignores the Agreement with SolAmerica, to which it was a signatory.

Company's Request is not Supported by Law.

3. As outlined hereinabove, the Company's Response contains no legal basis for its attempt to preclude this Commission from hearing SolAmerica's Request for Modification and Motion to Maintain Status Quo. The Company's Response contains *ipse dixit* statements, in an improper attempt by the Company to avoid this Commission's scrutiny of SolAmerica's Request/Motion.

Baseless Factual Allegation by Company.

4. However, there is one factual allegation that is misleading to this Commission that must be addressed. Namely, the unsupported allegation that SolAmerica's Project is not making progress towards commercial operation. Please consider the following actions that SolAmerica has completed thus far:

- Paid more than \$258,000 to the Company for interconnection;
- Spent more than \$100,000 on the development of the Project;
- Negotiated and executed a PPA with the Company;
- Marketed the Project to numerous investors;
- Entered an exclusivity agreement with investor to purchase the Project;
- Obtained agreement for investor to post the \$450,000 in collateral under the PPA (investor backed out on May 7, 2018, due to the Company's refusal to align interconnection dates with PPA);
- Executed site Leases for three parcels of property totaling 112 acres for the Project;
- Obtained the required regulatory, permitting and third-party approvals necessary for the construction and operation of the Project;
- Completed ALTA and topographical surveys of the properties;
- Performed studies and obtained reports on geotechnical conditions;

- Completed environmental due diligence on all three parcels, including Phase I studies and reports and follow-up diligence;
- Completed wetlands delineation reports for the Project site including the flagging of all wetland features;
- Completed cultural resources assessment of the Project site;
- Obtained U.S. Fish and Wildlife endangered and threatened species and habitat Report for Project site;
- Negotiated purchase of timber easement rights necessary to complete the Project;
- Obtained utility easement for the Company;
- Completed civil and electrical engineering design and drawings for the Project;
- Generated solar power production estimates;
- Obtained price quotes for equipment for the Project;
- Solicited and obtained estimates and quotes for engineering, procurement and construction of the Project;
- Obtained title insurance commitments and addressed and cleared all title defects;
- Negotiated and received county approval for a Fee in Lieu of Tax Agreement;
- Obtained non-disturbance agreements with mortgagors on property; and
- Certified Project with FERC as a Qualifying Facility.

SolAmerica notes that, the Company references milestone “4”, in the Company’s Response. Milestone “4” is not a material milestone under the facts of this dispute. Upon information and belief, the Company has already completed all distribution upgrades for interconnection and the Company has run power lines to the Project site and the only work that remains is for the Company to extend poles onto the Project site. This will require clearing some peach trees, which clearing can be done in less than a day. This clearing was deferred as the PPA does not require the Project completion until September 2019 and was always intended to be completed during construction of the Project. The Company has not made this an issue until its present filing and the Company’s focus on this issue now illustrates that the Company is attempting to manufacture excuses for its refusal to align the IA in-service date with the PPA completion deadline.

Company's Argument, IA Contents Unknown to PPA Personnel.

5. It is disappointing to see the Company assign import to its statement on page "3" of its Response in Opposition to Request for Modification, that SolAmerica "...recently negotiated a PPA with employees of [the Company] who reside out of and are separate from [the Company's] Transmission department." Despite the Company's reliance on this statement, the Company's personnel had actual knowledge of the unaligned dates in the PPA and IA. Factually, on March 1, 2018, Eddie Folsom, the person at the Company responsible for negotiating the PPA with SolAmerica, requested a copy of the fully executed Interconnection Agreement, which SolAmerica provided that same day. It is also uncontroverted that, SolAmerica had previously provided a copy of the executed IA to Mr. Folsom on December 11, 2017, in connection with the PPA negotiations. Mr. Folsom and the Company thus agreed to a September 23, 2019 Completion Date for SolAmerica's Project, with full knowledge of the IA Milestone Dates. Therefore, the Company's statement that SolAmerica was dealing with employees in two different departments of the Company is inapposite, because the Company and the relevant personnel had actual knowledge of the contents of the PPA and IA.

Positive Economic Impact of Project in South Carolina.

6. SolAmerica's Project has received broad support from all levels of government in South Carolina as reflected by the supportive public statements made by Governor, Henry McMaster, Secretary of Commerce, Bobby Hitt and Edgefield County Council Chairman, Dean Camble.<sup>1</sup> The Company's arbitrary and unreasonable refusal to allow SolAmerica's Project to interconnect with the Company's system, under the schedule established by the PPA, to which the Company is a signatory, places SolAmerica's Project in jeopardy and the Company's position in this matter will cancel the economic benefit of SolAmerica's Project to Edgefield County, South Carolina and the State of South Carolina and its economy.

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<sup>1</sup> See, Office of the Governor Henry McMaster, "SolAmerica Energy Launching Solar Operation in Edgefield County: New Solar Project Bringing \$13 Million of Capital Investment" (Oct. 17, 2017), <http://www.governor.sc.gov/Newsroom/Pages/SolAmericaEnergyLaunchingSolarOperationinEdgefieldCounty.aspx>

**CONCLUSION**

**WHEREFORE**, based on the foregoing, this Commission should inquire of this matter, conduct a Hearing, and order the relief sought by SolAmerica in its Request for Modification and Motion to Maintain Status Quo;

**AND FOR SUCH OTHER AND FURTHER RELIEF AS THIS COMMISSION MAY DEEM JUST AND PROPER.**

This 24<sup>th</sup> day of May, 2018.

Respectfully Submitted,

/s/

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May 24, 2018  
Columbia, South Carolina